

GREAT FOSTERS (1931) LIMITED

COMPANY NUMBER 245708

ANNUAL REPORT
AND
ACCOUNTS

for the year ended 31st March 1996

BOLTON COLBY
Chartered Accountants
Fairfield House
Fairfield Avenue
Staines Middlesex



GREAT FOSTERS (1931) LIMITED

Directors:

J.H.V. Sutcliffe CBE; DL (Chairman)
 J.E. Baumann (General Manager)
 Mrs. J.E. Barrett
 J.H. Field (resigned 11.9.95)
 Mrs. P.M. Nicolai
 Mrs. F.A. Plummer
 J.P. Raison
 R.H.M. Raison
 A.H.W. Sutcliffe
 J.R.B. Sutcliffe
 M.D.C. Sutcliffe

The Directors present their report and the accounts for the year ended 31st March 1996.

Statement of Directors' Responsibilities

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the surplus/deficit of the company for that period. In preparing those accounts, the Directors are required to:-

- (i) select suitable accounting policies and apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent; and
- (iii) prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Activities and Review of the Business

The business of the company is the operation of an hotel and catering establishment which has been carried on throughout the year without change

Future Development

The Directors will continue to operate their existing management policies and look for an improved result in the year to 31st March 1997.

Profit and Appropriation

The profit for the year after taxation amounts to £80,631 which the directors propose to retain in the business to add to the capital required for development and no payment of a dividend is recommended.

Fixed Assets

A summary of the fixed assets, and of the changes thereto during the year, is given in note 5 to the accounts on page 9.

GREAT FOSTERS (1931) LIMITED

Directors

The names of the Directors at the date of the Report are shown above.

Messrs. J.P. Raison, A.H.W. Sutcliffe and Mrs. J.E. Barrett retire by rotation in accordance with Section 80 of the company's articles, and being eligible offers themselves for re-election.

Directors'
Interests
in Shares

The Directors' interests (as defined by the Companies Act 1985) in the share capital of the company were as follows:-

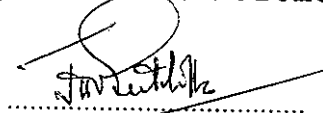
	<u>31.3.1996</u>	<u>31.3.1995</u>
Mrs. J.E. Barrett	1656	1656
J.H. Field	1656	1656
Mrs. P.M. Nicolai	1656	1656
Mrs. F.A. Plummer	1656	1656
R.H.M. Raison	1656	1656
A.H.W. Sutcliffe	1242	1242
J.R.B. Sutcliffe	1242	1242
M.D.C. Sutcliffe	1242	1242

At both dates the interests of Mrs. J.E. Barrett, Mrs. P.M. Nicolai and Mrs. F.A. Plummer were in a non-beneficial capacity.

Auditors

The Auditors, Bolton Colby, offer themselves for re-appointment in accordance with Section 385(2) of the Companies Act 1985.

Signed on behalf of the Board



J.H.V. Sutcliffe
Chairman

Egham
Surrey
5th August 1996

AUDITORS' REPORT TO THE MEMBERS OF

GREAT FOSTERS (1931) LIMITED

We have audited the accounts and related notes on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out in note 1 on page 7.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of Opinion

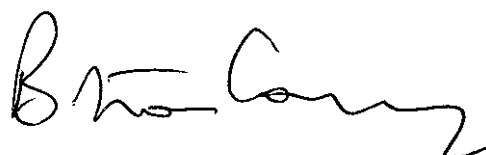
We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Fairfield House
Fairfield Avenue
Staines Middlesex
5th August 1996



BOLTON COLBY
Registered Auditors
Chartered Accountants

GREAT FOSTERS (1931) LIMITED

Profit and Loss Account

for the year ended 31st March 1996

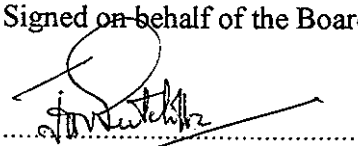
		<u>1996</u>	<u>1995</u>
	<u>Note</u>		
Turnover (wholly arising in the United Kingdom)	(1e)	2159716	1990594
Cost of Sales		<u>492606</u>	<u>473544</u>
Gross Profit		1667110	1517050
Operating Expenses - Administrative Expenses		(1661271)	(1532666)
Less : Other Operating Income		<u>57144</u>	<u>50117</u>
Net Operating Expenses		<u>1604127</u>	<u>1482549</u>
Profit on Ordinary Activities before Interest	(2)	62983	34501
Other Interest Receivable and Similar Income		<u>42340</u>	<u>24939</u>
Profit on Ordinary Activities before Taxation		105323	59440
Tax on Profit on Ordinary Activities	(4a)	<u>(24692)</u>	<u>2460</u>
Profit on Ordinary Activities after Taxation		80631	61900
Retained Profit at 1st April 1995		<u>1835121</u>	<u>1773221</u>
Retained Profit at 31st March 1996		<u>£1915752</u>	<u>£1835121</u>

The operating profit is derived wholly from continuing activities.

The company has no recognised gains or losses for the year other than those shown above and no adjustments are required to show the historical cost profit for the year.

GREAT FOSTERS (1931) LIMITED

Balance Sheet at 31st March 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
<u>Fixed Assets</u>			
Tangible Assets	(5)	1434425	1549349
<u>Current Assets</u>			
Stocks at Cost	(1c & 6)	63089	59546
Debtors	(7)	165416	108957
Investments	(8)	448572	348898
Cash at Bank and in Hand		<u>256528</u>	<u>261349</u>
		933605	778750
<u>Creditors</u>			
Amounts falling due within one year	(9)	<u>346906</u>	<u>374506</u>
<u>Net Current Assets</u>		<u>586699</u>	<u>404244</u>
<u>Total Assets less Current Liabilities</u>		2021124	1953593
<u>Provision for Liabilities and Charges</u>			
Pensions and Similar Obligations	(11)	3000	6000
Deferred Taxation	(1d & 4b)	<u>82500</u>	<u>92600</u>
		<u>85500</u>	<u>98600</u>
<u>Total Net Assets</u>		<u>£1935624</u>	<u>£1854993</u>
Financed by:-			
<u>Capital and Reserves</u>			
Called up Share Capital	(10)	19872	19872
Profit and Loss Account			
Retained Profit (Page 4)		1915752	1835121
Signed on behalf of the Board			
			
J.H.V. Sutcliffe			
Approved by the Directors on 5th August 1996			
		<u>£1935624</u>	<u>£1854993</u>

GREAT FOSTERS (1931) LIMITED

Cash Flow Statement

for the year ended 31st March 1996

		<u>1996</u>	<u>1995</u>
	<u>Note</u>		
Net Cash Inflow from Operating Activities	(14)	102414	238924
Returns on Investments and Servicing of Finance			
Interest Received		<u>42340</u>	<u>24939</u>
Net Cash Inflow on Servicing of Finance and from Returns on Investments		42340	24939
Taxation			
Corporation Tax Paid		(20574)	(5713)
Investing Activities			
Sale of Furniture and Equipment		485	<u>170</u>
Payments to acquire Tangible Fixed Assets	(5a)	(29812)	<u>(37249)</u>
Net Cash Outflow from Investing Activities		(29327)	(37079)
Net Cash Inflow before Financing		94853	221071
Financing Activities		—	—
Increase in Cash and Cash Equivalents	(16)	<u>£94853</u>	<u>£221071</u>

GREAT FOSTERS (1931) LIMITED

Notes to the Accounts

for the year ended 31st March 1996

1. Accounting Policies

The principal accounting policies adopted in the preparation of these accounts are given below:-

a) Historical Cost Convention

The accounts are prepared under the historical cost convention.

b) Depreciation

Expenditure on the acquisition of assets is being written off on a straight line basis as follows:-

	<u>Per Annum</u>
Alterations and Improvements to Premises	5%
Furniture and Equipment	10%
Motor Vehicles	20%
Orangery	1%

Any under or over provision of depreciation on disposal is adjusted in the charge for the year.

c) Stocks

Stock has been valued by a professional valuer and the manager at cost.

d) Deferred Taxation

Provision is made for deferred taxation arising on timing differences between tax allowances and related accounting treatment where these are expected to crystallise in the foreseeable future.

e) Turnover

Turnover represents the charges made for goods supplied and services rendered exclusive of value added tax.

f) Pension Plan

The company operates "personal pension plans", whereby the company agrees to pay for eligible employees, a defined contribution into the employee's own personal pension scheme. The pension charge represents contributions payable by the company for the year. The company's liability is limited to the amount of the contributions. The liability for meeting future pension payments rests solely with the employees' personal pension schemes.

GREAT FOSTERS (1931) LIMITED

Notes to the Accounts (Continued)

for the year ended 31st March 1996

	<u>1996</u>	<u>1995</u>
2. <u>Operating Profit</u>		
Operating Profit is stated after charging:-		
a) Auditors' Remuneration	£3000	£3500
Hire of Equipment	£4047	£9572
Provision for Depreciation	£141600	£134950
Loss on Disposal of Fixed Assets	<u>£2651</u>	<u>£764</u>
b) <u>Directors' Emoluments</u>		
Salaries	47218	37314
Other Emoluments/Benefits etc.	2655	2690
Pension Contributions	26559	45047
Pension Paid to Former Director	<u>5000</u>	<u>1667</u>
	<u>£81432</u>	<u>£86718</u>
c) The emoluments of the chairman were £5,000. Those of the highest paid director were £26,932. Both sums are stated exclusive of pension contributions. Other directors emoluments, also excluding pension contributions, were as shown below:		
Range of £nil - £5000	<u>9</u>	<u>10</u>
3. <u>Staff Costs</u>		
Wages and Salaries	692915	670990
Social Security Costs	43272	43004
Other Pension Contributions	<u>20898</u>	<u>4961</u>
	<u>£757085</u>	<u>£718955</u>
The average number of employees during the year was		
Full-time	65	65
Part-time	23	20
4. <u>Taxation</u>		
a) Current Year Corporation Tax at 25% (1995-25%)	34800	18500
Transfer from/to Deferred Taxation Account (Note 4b)	<u>(10100)</u>	<u>(20900)</u>
	24700	(2400)
Adjustment to Previous year's charge	<u>(8)</u>	<u>(60)</u>
Charge/(Credit) for the year	<u>£24692</u>	<u>(£2460)</u>

GREAT FOSTERS (1931) LIMITED

Notes to the Accounts (Continued)

for the year ended 31st March 1996

4. Taxation (Continued)

b) Deferred Taxation

1995

This relates to accelerated capital allowances at 30% (1995-30%) on items which are expected to crystallise in the foreseeable future.

Movements on this account during the year were as follows:-

Provision at 1st April 1995	92600	113500
(Credit) for the year (Note 4a)	<u>(10100)</u>	<u>(20900)</u>
Provision at 31st March 1996	<u>£82500</u>	<u>£92600</u>

The full potential deferred tax liability is £165,900.

5. Fixed Assets

a) Tangible Assets	<u>Motor Vehicles</u>	<u>Premises</u>		<u>Furniture and Equipment</u>	<u>Total</u>
		<u>Alterations and Additions</u>	<u>Orangery</u>		
<u>Cost</u>					
1st April 1995	14669	552412	882529	1190842	2640452
Additions	-	-	-	29812	29812
Disposals	-	-	-	(6222)	(6222)
31st March 1996	<u>£14669</u>	<u>£552412</u>	<u>£882529</u>	<u>£1214432</u>	<u>£2664042</u>
<u>Depreciation</u>					
1st April 1995	14669	357226	52291	666917	1091103
Charge for the year	-	23859	8825	108916	141600
Disposals	-	-	-	(3086)	(3086)
31st March 1996	<u>£14669</u>	<u>£381085</u>	<u>£61116</u>	<u>£772747</u>	<u>£1229617</u>
<u>Net Book Value</u>					
31st March 1995	-	£195186	£830238	£523925	£1549349
31st March 1996	-	<u>£171327</u>	<u>£821413</u>	<u>£441685</u>	<u>£1434425</u>

b) Directors' Interests in Transactions

During the year the company has incurred expenditure of £233,954 (1995-£183,583) in the ordinary course of business on the maintenance of the premises, all of which were occupied by the company and held by Trustees on behalf of persons who are also the holders of all the issued share capital of the company. Mr. J.H. Field, Mr. R.H.M. Raison, Mr. J.R.B. Sutcliffe, Mr. A.H.W. Sutcliffe and Mr. M.D.C. Sutcliffe are beneficially interested in the share capital of the company.

GREAT FOSTERS (1931) LIMITEDNotes to the Accounts (Continued)for the year ended 31st March 1996

	<u>1996</u>	<u>1995</u>
6. <u>Stocks</u>		
Wines, Liquors and Tobacco	49139	42859
Dry Food and Kitchen Stores	8451	11094
Sundry Stocks	<u>5499</u>	<u>5593</u>
	<u>£63089</u>	<u>£59546</u>
7. <u>Debtors</u>		
Trade Debtors	153048	99462
Other Debtors	9585	4620
Prepayments	<u>2783</u>	<u>4875</u>
	<u>£165416</u>	<u>£108957</u>
8. <u>Investments</u>		
Listed Government Stock	348899	-
Acquired during the year at cost	<u>99673</u>	<u>348899</u>
	<u>£448572</u>	<u>£348899</u>
Market Value at 31st March 1996	<u>£456808</u>	<u>£346574</u>

GREAT FOSTERS (1931) LIMITEDNotes to the Accounts (Continued)for the year ended 31st March 1996

	<u>1996</u>	<u>1995</u>
9. <u>Creditors</u>		
Amounts falling due within one year		
Trade Creditors	65989	93226
Social Security and Other Taxes	23945	18907
Other Creditors	156531	165306
Accruals	<u>72296</u>	<u>83140</u>
	318761	360579
Taxation (Note 4)	<u>28145</u>	<u>13927</u>
	<u>£346906</u>	<u>£374506</u>
10. <u>Share Capital</u>		
Authorised		
20000 Shares of £1 each	<u>£20000</u>	<u>£20000</u>
Issued and Fully Paid		
19872 Shares of £1 each	<u>£19872</u>	<u>£19872</u>
11. <u>Provisions for Liabilities and Charges</u>		
Pension Costs	<u>£3000</u>	<u>£6000</u>
12. <u>Interest Received</u>		
Bank Deposit Interest	16269	16556
Interest on Government Stock	26071	8332
Corporation Tax repayment supplement	<u>—</u>	<u>51</u>
	<u>£42340</u>	<u>£24939</u>
13. <u>Reconciliation of movements in shareholders' funds</u>		
Opening shareholders' funds	1854993	1793093
Profit for the financial year	<u>79131</u>	<u>61900</u>
Closing shareholders' funds	<u>£1934124</u>	<u>£1854993</u>

GREAT FOSTERS (1931) LIMITED

Notes to the Cash Flow Statement

for the year ended 31st March 1996

	<u>1996</u>	<u>1995</u>	
14. <u>Reconciliation of Operating Profit to</u> <u>Net Cash Inflow from Operating Activities</u>			
Operating Profit (Page 4)	62983	34501	
Depreciation Charges	144251	135714	
(Increase)/Decrease in Stocks	(3543)	12778	
(Increase) in Debtors	(56459)	(659)	
(Decrease)/Increase in Creditors	<u>(44818)</u>	<u>56590</u>	
Net Cash Inflow from Operating Activities	<u>£102414</u>	<u>£238924</u>	
15. <u>Analysis of Changes in Cash and Cash Equivalents</u> <u>during the year</u>			
Balance at 1st April 1995	610247	389176	
Net Cash Inflow	<u>94853</u>	<u>221071</u>	
Balance at 31st March 1996	<u>£705100</u>	<u>£610247</u>	
16. <u>Analysis of the Balance of Cash and Cash Equivalents</u> <u>as shown in the Balance Sheet</u>			
	<u>1996</u>	<u>1995</u>	<u>Change</u> <u>in year</u>
Cash at Bank and in Hand	256528	261349	(4821)
Short Term Investments	<u>448572</u>	<u>348898</u>	<u>99674</u>
	<u>£705100</u>	<u>£610247</u>	<u>£94853</u>